at the time of presenting the annual budget proposals.

**New Branches of Nationalised Banks in Andhra Pradesh**

654. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether nationalised banks have opened any new branches in Andhra Pradesh in 1997-98;

(b) whehter it is a fact that rural banking is suffering neglect due to disinterest by nationalised banks;

(c) what steps. Government propose to take to increase banking facilities in rural areas in Andhra Pradesh; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI R. JANARTHANAM): (a) During the year 1997-98, 15 branches of public sector banks have been opened in Andhra Pradesh.

(b) No, Sir.

(c) and (d) As per the extant branch licensing policy, banks can open rural branches in their service area after obtaining the recommendations of the State Governments or State Level Bankers' Committee and authorisations of the Reserve Bank of India (RBI).

**Cut in Prime Lending Rates by Banks**

655. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state-

(a) whether the Reserve Bank of India and other nationalised Banks have been considering another round of cut in their prime lending rates;

(b) if so, in what precise context and background such step has been considered; and

(c) the decision, if any taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (c) Prime Lending Rate (PLR) is determined by individual Commercial Bank themselves taking into account factors such as the ruling and expected rate of inflation the return on capital employed, the cost of funds to the banks including interest rate offered on deposits, the spread available to the bank to cover administrative and other costs, and statutory pre-emptions through Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). Banks may change their PLRs whenever there is any change in these factors and also in response to RBI's decision to change the Bank Rate.

**Action taken on BIFR Report**

656. SHRI SANJAY DALMIA:
DR. D. VENKATESHWAR RAO:
DR. MOHAN BABU:

Will the Minister of FINANCE be pleased to state:

(a) whether any action has since been taken on the report of BIFR in respect of certain PSUs which were proposed to be liquidated;

(b) if so, the details thereof;

(c) whether Government have received several requests from employees of the organizations and public for safeguarding the interest of these employees; and

(d) if so, the facts and details thereof nd the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) The Board for Industrial & Financial Reconstruction (BIFR) has reported that as on 31.3.1998, 10 sick Central Public Sector Companies were recommended for winding up to the concerned High Courts •irtrfer Section 20(1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR has also informed that it

has no further jurisdiction under SICA to deel with these cases unless the cases are remanded back to the BIFR by the Court. The names of these 10 companies are given here under:

1. Tennery and Footwer Company Limited
2. National Bicycle Corporation of India Limited
3. British India Corporation Limited
4. The Elgin Mills Limited
5. Bharat Process and Mechanical Engineering
6. Mandya National Paper Limited
7. Weighbird India Limited
8. Cawnoore Textiles Limited
9. Iisco Ujjain Pjpe *&* Foundry Company Limited
10. Swadeshi Mining & Manufacturing Company Limited

(c) and (d) BIFR has reported that reference received from the sick industrial companies are dealt with in accordance with the provisions of SICA, and equal opportunity is given to all concerned including workers of sick industrial companies and their views are heard by the BIFR . before appropriate directions are given in such cases.

**Impact of Single Currency of European Union on Software Companies**

657. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether a study has been made on the likely impact of the introduction of the Euro, the single currency of the European Union from January 1, 1999 on the Indian software companies;

(b) if so, the details of the study made; and

(c) steps being taken to regulate any sudden flight of the trained cadres of the information technology industry from the country?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) No Sir

(b) Does not arise.

(c) There appears to be no special threat of a sudden flight of the trained cadres of the Information Technology Sector.

**Impact of Two-by-Four Economic Criteria Provisions of Income Tax Act**

658. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have analysed the impact of the new two by-lour economic criteria provisions of the Income Tax Act for filing returns, on revenue collection and the administrative burden of managing a large pool of assessees;

(b) if so, the broad details of the returns received and the results of the analysis made; and

(c) whether it will be feasible or judicious to justify the continuance of the scheme since it may bring in large number of petty/low income assessees but at the cost of large income assessees due to constraints of manpower and other infrastructural difficulties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) The due date for filing return of income under the new two-by-four economic criteria was 28-2-98 for assessment year 1997-98. On the basis of the availalble information, it is found that there is air increase in the total number of income tax assessees by 20% over the last year as against the usual average growth of 15% during the pdstjcais. The details of returns received indicating the growth in tax base is enclosed at statement *(See* below)

(c) There is a valid assumption behind the provisions casting the obligation on persons to file the return of income in cases where two out of the four economic indicators are satisfied. It is expected that any such person who fulfills two out of the four economic criteria would reasonably have taxable income. Such a